



Minutes of Panel Meeting 32

25th June 2019 | 10:30 – 13:00

America Square Conference Centre, One America Square, London, EC3N 2LB

Status of the Minutes: Approved

THE PANEL

Jim Keohane	JK	Chair	Martin Mavin	MM	Panel Member (Wholesaler)
Mike Brindle	MBr	Panel Member (Associated Retailer)	Mark Holloway	MH	Panel Member (Wholesaler)
Steve Hervoet (T-con)	SH	Alternate for Mike Brindle	Helyn Mensah	HM	Panel Member (Independent)
Christopher Williams	CW	Panel Member (Associated Retailer)	Nigel Sisman	NS	Panel Member (Independent)
Trevor Nelson	TN	Panel Member (Unassociated Retailer)	Elsa Wye	EW	Panel Member (Independent)
Fiona Matheson (T-con)	FM	Alternate for Trevor Nelson	Christina Blackwell	CB	Affiliated Panel Member (CCWater)
Nicola Smith	NSm	Panel Member (Unassociated Retailer)	Dan Mason	DM	Affiliated Panel Member (Ofwat)
Claire Yeates	CY	Panel Member (Unassociated Retailer)	Sarah McMath	SM	Affiliated Panel Member (MOSL CEO)
Neil Pendle (T-con)	NP	Alternate for Claire Yeates	Margaret Beels	MB	Deputy Panel Chair
Ian Dearnley	ID	Panel Member (Wholesaler)	Adam Richardson	AR	Panel Secretary

OTHER ATTENDEES

Stuart Boyle	SB	Secretariat (MOSL)	Miles Robinson (T-con)	MR	Presenter (MOSL)
Oliver Farrell	OF	Secretariat (MOSL)	Stephen Winnie (T-con)	SW	Presenter (MOSL)
George Monea	GM	Secretariat (MOSL)	Antoine Schmidt	AS	Observer (Thames)
Steve Arthur	SA	Presenter (MOSL)	Huw Comerford	HC	Observer (MOSL)

Abu Rashid	ARa	Presenter (MOSL)	Dylan Freeman	DF	Observer (Southern Water)
Rob Curry	RC	Presenter (MOSL)	John Vinson	JV	Observer (Independent)
Chris Poulton	CPo	Presenter (MOSL)	Emma Kelso	EK	Observer (Ofwat)
Sam Webb (T-con)	SWe	Presenter (MOSL)			

APOLOGIES

1. Welcome and Introductions

- 1.1. The Chair welcomed everyone attending to the 32 Panel Meeting.

2. Minutes and Outstanding Actions

- 2.1. The Panel agreed the minutes subject to a minor amendment provided by a Panel Member shortly before the meeting.
- 2.2. AR presented the Closed Actions and the remaining Outstanding Actions. The Panel agreed with the outstanding actions and to close actions: A28_03, A30_06, A30_07, A30_09, A30_10, A31_01, A31_02, A31_03, A31_05, A31_06, A31_07, A31_08, A31_09, and A31_10.

3. Update from Ofwat

- 3.1. Dan Mason (DM) presented the latest updates from Ofwat. He explained that Ofwat's year 2 State of The Market Report and REC review conclusions are due to be published in the first couple of weeks of July and that the wholesaler performance outcomes report was published shortly after the last Panel meeting.
- 3.2. It was explained that the outcome report set out a number of areas, through which progress will be monitored with the key areas of focus being the development of the common measure for retailer satisfaction and multi-year development for the market performance framework.
- 3.3. DM mentioned that a decision on CPM014 (Market Performance Standards Charges Redistribution Payment Clarification) would be published in the coming week. The Panel noted that decisions on the suite of credit Change Proposals discussed at the May Panel meeting were expected in July or early August.

4. Questions on MOSL Update

- 4.1. Sarah McMath (SM) explained that MOSL had received a potential Market Arrangements Code (MAC) dispute from a Trading Party regarding the revision of Industry Level Estimate (ILE) values that was being undertaken. The concerns related to the lack of flexibility within CMOS, the time it takes to make changes and the approach and time that the Panel has taken in relation to considering the associated Change Proposal (CPW066 Estimation Review). The Panel noted that MOSL would be meeting with the Trading Party to discuss the matter in the coming days.
- 4.2. The Panel noted that once further clarity had been obtained regarding the Trading Party's concerns, the next steps can then be determined.
- 4.3. A Panel Member asked that MOSL provide Trading Parties visibility of G-Read removal where the G-Reads relate to Settlement Periods which occurred more than 2 years ago and requested more information on the impact of G-read removals highlighted in the report.
- 4.4. It was noted that the working group of the Panel setup to consider this were of the view that the ILEs did not need updating.

5. PWC Audit

- 5.1. SA presented a verbal update regarding the three streams of the audit: Market Operator (MO) compliance, Settlements Assurance and Trading Party Compliance.
- 5.2. A Panel Member enquired about the coverage of PWC's Settlement Assurance work. SA explained that PWC review a sub set of key charge elements. SA noted that the analysis of settlements data showed outputs within acceptable range and consistent with year 1.
- 5.3. SA agreed to advise the Panel about the action plan to address the findings of the PwC audit.

ACTION 32_A03

- 5.4. The Panel noted that the key themes in the Trading Party Compliance report related to Data Quality and Meter Reading issues.
- 5.5. It was further explained that three Trading Parties were experiencing issues associated with bandwidth and inconsistent provision of meter reading service providers.
- 5.6. SA mentioned that the feedback would be fed into the review of the Market Performance Framework (MPF).
- 5.7. The Panel also noted that some responses to the Auditor suggested may be data which is not captured in CMOS which would be quite useful to be there. It was explained that it is not just meter reads but asset information which could be held in TP systems, billing systems and third-party systems but that it has not found it way into CMOS or is not currently required to be entered into CMOS, but which could help in resolving some of the challenges.
- 5.8. A Panel Member enquired if there was a plan to use the report as a basis for MOSL to help improve the market overall. SA explained that the outputs would feed into Market Performance Operating Plan (MPOP) work and other improvement activities appropriately. The Panel Member also enquired if this item will be something done by MOSL rather than seeking to give it to a sub-group of the Panel as it would be valuable to work some of these issues in details. SA agreed that MOSL will work on this and will provide clarity on where issues raised in market audit will be picked up by workstreams including MPOP projects and tracking and reporting on TP progress against specific issues via PFM performance meetings. A Panel Member agreed with SAs point and stated that after the audit, the Panel needed to identify and understand where the gaps are and how these could be filled.
- 5.9. A Panel Member explained that the Panel has a formal role to play in this framework and that it would be good to have a sub-group formed as well as a meeting with PWC as there is opportunity to identify actions and then discuss whether MOSL or a sub group is better placed to take on the action.
- 5.10. NS explained that the Panel need to think about the on-going audit and, how it is planned ahead of next year to ensure we learn for it and enhance its impact and Value for Money (VFM). However, NS explained that the critical thing is that the learning from this should be reflected in the Panel's other work.

- 5.11. SA agreed to provide further information ahead of the next Panel's meeting about a possible timeline of when the work is expected to be finalized.

6. Bilaterals Update

- 6.1. Chris Poulton (CPo) provided an update on the bilaterals project along with a presentation on the governance of the project and the programme of work to deliver it.
- 6.2. The Panel noted that the main governance aims were to:
- Provide transparency of the overall process for developing and implementing the bilaterals solution;
 - Ensure that a bilaterals solutions is developed that takes account of the needs of Trading Parties;
 - Ensure that the Panel or Trading Parties can intervene should it be felt the project is not progressing appropriately; and
 - Ensure that any mandated bilaterals solution is embedded within standard market governance going forward.
- 6.3. CPo confirmed that it was anticipated that the project would engage with existing groups and committees, along with a code review group to assist in the solution.
- 6.4. A Panel Member enquired what type of burden will be on the Subject Matter Experts' time wise. CPo explained that this would become clearer through the project planning process.
- 6.5. CPo agreed to circulate the slides and send out his contact details for Panel members to forward him any feedback/questions they might have.

ACTION32_A04

- 6.6. EW queried how the code group would interact with the Panel, and also whether there was the MOSL resource to deliver this, particularly within Market Design. The Chair explained that the what/when/resources are still to be addressed in detail and this is being presented to the MOSL board on 27 June. Due to the time constraints, Panel members were requested to forward questions to Chris afterwards.
- 6.7. Dan Mason (DM) explained that Ofwat have been discussing the way forward with MOSL and they were very much in support of the proposed approach. DM indicated that Ofwat planned to raise a Change Proposal (CP) in July or August to formalise the project and set out the governance and timetable for the development of a solution.

- 6.8.
- 6.9. A Panel Member welcomed the update and indicated that, from a Panel perspective, Panel Members needed to be concerned with what code changes would be required to provide for any bilaterals solution rather than driving the management of the project itself. The Panel Member felt the proposed approach would allow for this and that they felt Trading Parties were supportive, but it would be important that MOSL has the resources to make it happen.
- 6.10. Another Panel Member raised a concern that the Panel will not be engaged throughout. AR suggested that the Panel had a key role to play and noted the proposed roles on the project Steering Group and that the proposed codes advisory group was very similar to a Panel sub-group. One Panel Member noted that the steering group would deal with setting up a centralised bilateral system and that there were 2 main interactions: one interaction is between the steering group and the Panel, to focus on the impact on the Code; the other is the interaction between the steering group and the Trading Parties to agree scope, design and implementation details.
- 6.11. It was explained that there would be regular updates of how everything was progressing.
- 6.12. A Panel Member enquired about clarifying the actual scope of work. CPo explained that everything was still being scoped out, however, from what's been learnt so far, MOSL felt there was likely to be a technical element to the project.

7. Individual SPID Settlement

- 7.1. Miles Robinson (MR) presented SPID Settlement and provided background on the initial issues.
- 7.2. MR explained that MOSL felt it was important to share information for the full wholesaler-retailer pairing as well as the subset of requested SPIDs to highlight any changes. While there was recognition of the fact that providing this information may impact the number of additional corrective settlement runs requested, MOSL intended to include a 6 month review to assess the practicality of the method and assess impacts across standard and unplanned settlement runs.
- 7.3. SA also explained that it is ultimately down to TPs to decide what they will do with the provided information.
- 7.4. An action was raised to include the impact of individual SPID reruns, and the potential impact of this on customers' bills, in the MOSL report.

A Panel Member, supported by others stated that RF normally crystallises the positions, after RF, normally, there should be only a very limited number of changes. There is a risk here of opening new disputes, we need to have a look at that risk"

ACTION32_A05

CLOSED SESSION

8. Market Performance Committee Nominations

- 8.1. The Chair welcomed SH, FM and NP to the meeting, noting that they were the appointed alternates for the Panel Members that were conflicted due to being nominated as candidates for Market Performance Committee (MPC).
- 8.2. The Chair of the MPC (NS) explained that there was a strong field of candidates, therefore it is important to provide any feedback to the candidates who did not make MPC Nominations. An action was assigned on MOSL to provide updates to the candidates which were unsuccessful.

ACTION32_A06

- 8.3. Conflicted Panel Members (MB, TN and CY) left the room.
- 8.4. The Panel voted to recommend the following members for appointment to the MPC:
 - Mike Brindle - Associated Retailer
 - Wendy Monk - Associated Retailer
 - Trevor Nelson - Un - Associated Retailer
 - Claire Yeates - Un - Associated Retailer
 - Michal Rathbone - Wholesaler
 - Don Maher - Wholesaler
 - Gerard Lyden - Wholesaler
 - Jesse Wright - Wholesaler
- 8.5. Conflicted Panel Members (MB, TN and CY) re-joined the meeting.
- 8.6. The Chair thanked SH, FM and NP and they left the meeting.

OPEN SESSION

9. Questions on Committee Report

- 9.1. There was nothing to add from the Credit Committee and no further questions.
- 9.2. NS summarized the conclusions of the Economic Insights report with a leaning towards redistribution with some potential for a good causes board rather than just creating a fund for improvement which MOSL could use over time (years). MH raised a concern over the bureaucracy around redistribution and the good causes board and the fact that the idea of a fund over time appears to have not been considered.
- 9.3. A Panel Member advised that this discussion will be picked as an agenda item at the next Panel meeting in August.

9.4. Helyn Mensah (HM) noted that a member would be stepping down from the GDPR Issues Committee. The Panel agreed that nomination process should commence to replace the committee member.

ACTION32_A07

9.5. A Panel Member questioned if there is any additional support required for GDPR as it is important work. HM mentioned that this was being considered by MOSL and also that there were some meetings with a Data Security expert.

9.6. AR explained that Evan Joannette was now chairing the TEIC as trailed at the previous Panel meeting and that work was progressing on track. AR confirmed that, in the interest of time, more information on progress could be circulated to Panel Members after the meeting.

ACTION32_A08

9.7. EW confirmed that there was no major update to provide on the Trading Disputes Committee (TDC). EW explained that there are currently two new members on committee, and the TDC are working on producing a guidance document and working on CPW064 which she anticipated would come to the July Panel.

9.8. NS explained that the consultants that the MPC had engaged were close to finalising their report on the re-distribution of Market Performance Framework charges and that the Panel would have something very shortly.

10. Questions on Change Report

10.1. SB requested an extension of one month for the Recommendation on CPW066 (ILE Review) to allow for a consultation on the change. One Panel Member was uneasy of agreeing to this item as there is a lack of clarification. AR explained that an extension was needed to allow for the standard 10 Working Day consultation and for the findings to be taken into account in preparing the Recommendation Report for the Panel.

10.2. AR explained that if the Panel endorses a shorter consultation or to not consult at all then the July meeting could be met. The Panel agreed the Sub-group should decide whether to extend the assessment period for this change.

11. Draft Recommendation Report: CPW065: Retailer Notifications

11.1. Abu Rashid (ARa) presented CPW065: Retailer Notifications to the Panel.

11.2. ARa explained that the most expensive solution is the best one to implement. HM asked if the TPs were aware of the cost. ARa confirmed that TPs were aware and that this was included in the consultation.

11.3. Panel Members agreed with the rationale for the change outlined in the report.

11.4. The Panel voted unanimously to recommend the proposed (more expensive) option.

11.5. The Panel:

- **AGREED** to recommend implementation of the **proposed** solution of CPW065 to the Authority for approval; and
- **AGREED** the recommended implementation date of:
 - 15 May 2020, if Authority approval is received by 30 September 2019; or
 - 6 November 2020, if Authority approval is received by 30 April 2020.

12. Draft Recommendation Report: CPW068 & CPM017 MIMP Committee Revision

- 12.1. Rob Curry (RC) presented CPW068 & CPM017 - MIMP Committee Revision to address the recruitment and on-going retention of MIMP Committee members.
- 12.2. HM queried whether the proposed changes to recruit Business Continuity and Disaster Recovery Managers into the MIMP Committee can be achieved without removing the MIMP Committee from the codes. RC confirmed this was possible, but that removing the code requirements would provide flexibility to make future changes to the MIMP Committee via the Panel approving and revising the Terms of Reference from time to time without the need for subsequent Change Proposals.
- 12.3. It was explained that a Market Operator Gold Command group will replace the MIMP Committee sub-group.
- 12.4. Panel Members agreed with the rationale for the change outlined in the report.
- 12.5. RC requested confirmation that the Panel were content to implement the changes to the Terms of Reference now to allow for recruitment of a new MIMP Committee with Business Continuity and Disaster Recovery Managers to commence. MH requested that this was communicated via Contract Managers. Panel agreed.
- 12.6. The Panel voted 10 votes in favor (with one abstention) to recommend the change.
- 12.7. The Panel also agreed the changes to the Terms of Reference and that these should be given effect now to allow for recruitment of a new MIMP Committee with Business Continuity and Disaster Recovery Managers to commence.
- 12.8. The Panel:
 - **AGREED** to recommend implementation of CPW068 & CPM017 to the Authority for approval; and
 - **AGREED** the recommended implementation date of: 30 September 2019, if Authority approval is received by 13 September 2019

13. AOB

- 13.1. EW raised requested a discussion in regard to the Paper Day and whether 10 working days is appropriate, or should it be reduced to 5 working days.

ACTION32_A12

13.2. HC enquired if Panel members were happy to move solely to SharePoint to send/receive documents. Several Panel members expressed that they still have issues with logging in to SharePoint. It was agreed that for the time being both methods (Email/SharePoint) will continue to be used.

13.3. HC asked Panel members who are still experiencing issues to email him.

ACTION32_A11

Actions:

A32_01 – Do further analysis on the impact of G-Read removals as seen in post-final settlement runs.

A32_02 – Develop a mechanism to give Trading Parties visibility of G-Read removal where the G-Reads relate to Settlement Periods which are occurred more than 2 years ago.

A32_03 – Advise the Panel on the action plan to address the findings of the PwC Audit.

A32_04 – Share contact details for any bilaterals queries.

A32_05 – Include the impact of individual SPID re-runs in MOSL report.

A32_06 – Inform each MPC Nominee of the Panel's decision.

A32_07 – Start the GDPR Issues Committee nomination process.

A32_08 – Circulate a short TEIC Update to Panel Members.

A32_09 – Share dispute letter received by MOSL from a Trading Party with the Panel.

A32_10 – Update on dispute received by MOSL from a Trading Party relation to ILEs at the next Panel meeting.

A32_11 – Contact Huw Comerford in regard to SharePoint access issues.

A32_12 – Panel Secretariat to review the implication of amending paper day to 5WDs to enable papers to contain more timely information and report back to the Panel.